

STATEMENT OF DENIS P. GALVIN, ACTING DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION, SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, CONCERNING ADMISSION FEES, RECREATION USE FEES, SPECIAL PARK USES AND THE RECREATION FEE DEMONSTRATION PROGRAM IMPLEMENTED BY THE NATIONAL PARK SERVICE.

JUNE 19, 1997

Mr. Chairman, members of the subcommittee, thank you for the opportunity to appear before you to discuss recreation fees and special park use fees in the National Park Service and the status of the recreation fee demonstration program as is being implemented by the National Park Service.

A BRIEF HISTORY OF FEES

The collection of admission and recreational use fees in the National Park System has a long history. In 1908, Mount Rainier National Park was the first park to admit automobiles and collect an auto permit fee at an annual cost of \$5. By 1915, Crater Lake, Glacier, Yosemite, Sequoia, Mesa Verde, and Yellowstone National Parks had initiated fees. In 1916, the year the National Park Service was established, fees ranged from \$2 at Glacier to \$10 at Yellowstone. At Yellowstone, in 1916, fee revenues were such that the Department of the Interior arranged with the War Department (which administered the National Parks) for the withdrawal of troops and for the establishment of a civilian administration. By 1917, auto fee revenues for all parks totalled approximately \$91,000.

In the ensuing years, the collection of admission fees for national parks has been an ongoing administrative and congressional debate. A 1932 report to the Secretary of the Interior from the National Park Service director stated "NPS administration should see primarily the benefit and enjoyment of the people rather than financial gain and such enjoyment should be free to the people

without vexatious admission charges and other fees." By 1939, Secretary of Interior Ickes' announcement of new fees for more park areas and services was accompanied by the statement that "those who actually visit national parks and monuments should make small contributions to their upkeep for services those visitors receive, which are not received by other citizens, who do not visit parks that are available to them, but who contribute to the support of these parks."

In 1962, the Outdoor Recreation Resources Review Commission issued a report which was instrumental in bringing about the passage of the Land and Water Conservation Fund Act of 1965 (LWCF) under which the National Park Service and other Federal land management agencies were authorized and directed to collect recreation fees. This act has provided the authority for the collection of recreation fees from 1965 until today.

The LWCF Act provides strict parameters on what kind of fees may be collected, sets caps on admission fees, establishes broad categorical and specific site prohibitions on where admission fees may be collected, and sets restrictions on the activities for which recreation use fees may be charged. Due to the many restrictions imposed through the LWCF Act on both the collection of fees and the allocation of the fee revenues back to the National Park System, many have viewed the LWCF fee authorities as lacking incentives for managers to collect fees and as not resulting in increased revenues to support the National Park System.

The National Park Service has proposed new fee legislation for many years, always with the twin caveats that the fee revenue would be in addition to existing budgets and that a majority of the new

fees would stay in the area where they were collected. We believe the American public would support new and increased fees if they were guaranteed the same. We have also supported the position that the Secretary of the Interior should have the flexibility to determine how much and where fees should be charged.

In 1996, and amended twice in 1997, Congress passed the Recreation Fee Demonstration Program (P.L. 104-134 and P.L. 104-208), a three year "pilot" project which allows Federal land management agencies to test new fees across the geographic and programmatic spectrum of sites managed by the agency and to retain a majority of the new fees at the areas where they are collected. Each agency is to evaluate the new fees and provide a report to Congress that will be used to develop revised fee authorities and fee legislation.

SPECIAL PARK USES

An important and continuing responsibility in the management of the National Park System is the consideration and proper accommodation or rejection of requests for permission to engage in special activities within a park that are not otherwise available to all park users. These activities are generally called special park uses. They may or may not support the purposes for which the park was established. Each request must be carefully analyzed and thoughtfully considered. A special park use is defined as "any activity which is proposed for, or exists within, a National Park System area which requires or required some type of written permission from a National Park Service official."

Special park uses range from special events such as weddings, community meetings, organized athletic events or races to activities such as grazing or use and occupancy of NPS owned buildings

to rights-of-way for sewer and water lines, utility lines, or fiberoptic and other communication cables, to telecommunication antennas and transmitters. The provision of these uses is above and beyond a park's regular program and falls outside of a park's annual budget.

The National Park Service is authorized to manage activities within the parks and to regulate or restrict activities which are "in derogation of the values and purposes for which these areas have been established". Congress has directed that each service or thing of value provided by an agency is to be self-sustaining to the extent possible and that regulations and policies shall be as uniform as practicable between agencies. OMB Circular A-25 sets out the guidelines for the establishment and collection of fees for special park uses.

The circular requires that the costs associated with the provision of a service be recovered as well as a fee for the value of the service or the rental of the property or facility. Further, Congress has authorized the National Park Service to recover the costs associated with special park uses and retain the fees assessed and credit them to the appropriation current at the time the activity occurred. Thus the National Park Service is able to recover the costs it incurs for providing special park uses. The second or "rental" fee is remitted to the general fund of the U.S. Treasury.

In FY 1996 special park fee revenues retained by NPS totalled approximately \$6.5 million.

In 1995, both the General Accounting Office (GAO) and the Department of the Interior's Office of the Inspector General (IG) conducted audits of how the National Park Service managed special park use fees. The IG's audit discovered "inconsistencies among the parks regarding: (1) the types of activities that were subject to a fee; (2) the bases for determining the amount of the fee; and (3) the

use of fee revenues." The IG audit recommendation to correct these and other findings was primarily for the Service to expedite the revision of NPS-53, "Special Park Uses," which would give specific and definitive direction for all of the points raised by the IG. In a post script based upon the Service's response to the audit report, the IG report agreed that training in the subject was needed "particularly at the park level" once the revised guidance had been issued.

The National Park Service is responding to both the GAO and IG audit recommendations. The overriding comment received from both reports was that the Service lacked consistency managing special park uses. The Service is planning a two pronged response to this situation. First we recognize that the existing NPS guideline on special park uses, NPS-53, is significantly out of date and in need of revision. We have been working on this revision and are planning publication this year. Secondly, we plan to train at the regional and park levels using the completed policy and procedural guidance as both textbook and reference. One of the first and basic concerns of both the guidance and training will be clear statements of what a special park use is and the National Park Service policy on how these are to be managed. Given the guidance and training, the result will provide the Service-wide consistency we require.

While most of the special park uses applied for are compatible with park purposes, they are not the primary activity for which those parks were established or funded. Because of this, the Service must continue to retain the ability to recover costs associated with special park uses. Without this authority parks would not have the financial resources to accommodate these activities.

NATIONAL PARK SERVICE RECREATIONAL FEE DEMONSTRATION PROGRAM

The NPS has welcomed the recreational fee demonstration program as an opportunity to test a variety of new fee prices, new types of fees, new collection strategies, and to institute fees in areas that were previously prohibited from charging fees. The provision in the program which allows 80% of new fee revenue to be retained at the area where it is collected provides an important incentive for managers to collect fees; the remaining 20% is distributed nationally. The fee demonstration program was instituted in January, 1997. The program is authorized through September 30, 1999, and the new funds collected through the program will remain available without further appropriation to the National Park Service until September 30, 2002.

In the summer of 1996 the National Park Service solicited demonstration proposals from park areas. Projects have been selected that demonstrate a variety of new types of fees, are new fee collecting sites and represent a cross section of the system, or are higher admission fees. At the present the NPS has initiated 93 projects and intends to name seven more projects this summer to total 100 projects as authorized. The first 93 projects approved for the fee demonstration program are attached and submitted as part of the testimony (Attachment 1).

Although it is early in the demonstration project, the NPS anticipates total fee collections from the all the parks to be approximately \$130,000,000 in FY 97 and \$138,000,000 in FY 98. This will result in approximately \$53 million for distribution from FY 97 and \$61 million from FY 98 demonstration projects based on the FY 1998 Administration's budget submission to Congress. These amounts reflect changes in the 1997 disaster supplemental which modify the basis for calculating the amount of fee receipts available for expenditure.

The following are examples of some of the National Park Service's demonstration projects:

Admission fees for Yosemite, Grand Canyon and Yellowstone/Grand Teton National Parks are set at \$20/vehicle or \$10/person. At other major parks such as Mt. Rainier, Sequoia/King's Canyon, Shenandoah and Everglades National Parks the admission fees are \$10/vehicle and \$5/person. Other entrance fee rates vary according to the type of park unit. The Golden Eagle passport, an annual pass which provides unlimited admission into all National Park, US Forest Service, US Fish & Wildlife, and Bureau of Land Management areas, was raised from \$25 to \$50.

The National Park Service will implement recreation use fees at a number of areas that previously did not collect a fee because of the difficulty in controlling access to the site: Lake Amistad, Glen Canyon, Curecanti, Lake Meredith, and other National Recreation Areas will be collecting boating fees; Delaware Water Gap, Bighorn Canyon, and Whiskeytown will be charging recreation use fees; Biscayne National Park will collect a docking fee; Canaveral National Seashore will charge a daily use fee; Cuyahoga Valley and Gateway National Recreation Areas will collect fees for special recreational activities. Many remote areas will collect fees utilizing automated fee collection machines.

Special interpretive program fees are being tested. In most cases there will be no admission fee at these areas but specific programs will cost a minimal fee. Women's Rights National Historical Park, Sitka National Historical Park, Redwoods National Park, and Great Smoky Mountains National Park, are examples of parks that will charge interpretive fees for special programs such as ranger-led kayak tours and ranger-provided programs on concession operated hayrides. These programs provide visitors unique experiences that would not be available without the minimal fee.

Charging for backcountry camping has been established at many of the demonstration projects. These fees are charged either for the issuance of a backcountry permit to camp or for a per night charge in the backcountry. The fees range from \$10 per permit at Point Reyes National Seashore to an impact fee of \$4 per person per night at Grand Canyon National Park.

Other fee collection strategies have been put into place to help collect the fees in a more efficient manner without the hiring of more employees. Seventeen areas will install automated fee collection machines. Several units including Colonial National Historic Site and Golden Gate National Recreation Area have contracted for the collection of fees. The concessioner at Golden Gate NRA's Alcatraz Island will be the parks's agent to collect a fee along with the ferry fee to access the island. In order to facilitate the payment of fees credit card use will be expanded along with implementation of new technologies such as a specific "smart card" for large commercial bus tour operators.

Partnership fees are being tried under this program. Allegheny Portage Railroad National Historical Site and Johnstown Flood National Monument have entered into a partnership fee with local and regional museums and historical sites where a \$2 per person fee will provide admission to all of the attractions. Arches National Park, Canyonlands National Park and Natural Bridges National Monument have established an annual pass for \$25 which provides a family admission into all three areas.

NATIONAL PARK SERVICE FEE DEMONSTRATION REVENUE

The NPS has determined that the majority of new fee revenue will be dedicated to addressing the backlogged maintenance, infrastructure and identified resource management actions. In those cases

such as backcountry permit issuance and interpretive fees, the revenue will be spent on providing for those services. These same policies will be used to distribute the remaining 20% of new fee revenue that is available for national programs and parks not directly benefiting from the demonstration program. Some of the demonstration fee revenue will also be reinvested in infrastructure to prepare additional areas to collect fees. Fee revenue will not be used to fund permanent staff salaries and expenses.

Let me provide a few examples of how some of the new revenues will be spent at some selected park areas.

- Rocky Mountain National Park plans include the rehabilitation of the Beaver Meadows Visitor Center; replacement of vault toilets; rehabilitation of trails and relocation of trailheads; and historic structure preservation.
- Yellowstone National Park's projects include improved public restrooms; improvement or provision of handicap access; and utility system repairs.
- Glen Canyon NRA will provide new toilets and dump stations; stabilize the Widows Ledge ruin site; rehabilitate Wahweap picnic area; and stabilize and rehabilitate five historic structures in the Lonely Dell.
- Denali National Park will rehabilitate and reroute park trails.
- At Shenandoah National Park a parkwide project will improve over 80 structures, many of them historic, that are on the park's backlogged list; a campground rehabilitation program will be undertaken; the Byrd Visitor Center asbestos abatement will be accomplished; vista restoration on Skyline Drive will be undertaken; and high use trails will be rehabilitated and

maintained.

NATIONAL PARK SERVICE FEE DEMONSTRATION PROGRAM EVALUATION

There is no doubt that the revenue generated over the course of the recreation fee demonstration program is important to the NPS and will be put to good use. Public response has thus far been positive. We will continue to monitor the reaction to these new fees and to provide information that illustrates that they directly enhance the visiting public's experience.

To this end the National Park Service is committed to evaluating this demonstration program and providing a detailed analysis to Congress on the results. Congress can use these evaluations in crafting revised fee authority.

A full evaluation of the National Park Service's recreational fee demonstration program will be conducted through the National Park Service's Social Science Program using an outside group. Each demonstration project will be evaluated for collection efficiency, visitation trends, how much new revenue was generated, and how the revenue was spent. A dozen case studies will be conducted at a cross section of the projects to sample public opinion on the new fees. Three in-depth case studies will be conducted to look at whether the new fees had an impact on local and regional economies or whether the fees affected visitation by various social/economic groups. Annual reports will be prepared and available to Congress with a final evaluation report presented to the Congress at the completion of the program. To ensure that increased fee revenues remain available after 1999, the administration will propose legislation providing permanent fee authority to take effect once the current demonstration fee authority expires.

CONCLUSION

Admission and recreation use fees as well as fees for special park uses provide the National Park Service with important sources of revenue. We are working hard to make these programs work as efficiently and as productively as possible. The revenues generated from admission and recreation use fees and special park uses satisfy part of the financial needs of the National Park System. Authorities to recover costs associated with special services and the ability to retain new admission and user fees where they are collected are critical. They do not replace the need for continued appropriations to operate and maintain the National Park System.

Mr. Chairman, this concludes my statement. I am prepared to answer questions you or members of the Committee may have.